GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2316
ANSWERED ON:14.03.2008
LEVY ON SALE OF POWER TO OTHER STATES
Satpathy Shri Tathagata

Will the Minister of POWER be pleased to state:

(a) whether the Government has any proposal to allow the power producing States to charge levy on sale of power to other States;

(b) if so, the details thereof;

(c) whether any proposal has been received by the Government from any State in this regard; and

(d) if so, the decision taken by the Union Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHIL KUMAR SHINDE)

(a) : No, Sir.

(b) : Does not arise in view of (a) above.

(c) & (d) : During the Conference of Chief Ministers on Power Sector Issues held on 28th May, 2007 the Chief Minister of Orissa had raised the issue of levy of duty on generation of power by the concerned State Governments. During the Conference, the Chief Minister of Chhattisgarh had demanded 12% power at variable cost or the right to tax generation of power.

However, some other States had objected to additional compensation to coal bearing States,as any such move will increase the cost of power.At present,the host State,in which the Central Thermal Power Station is located, is given 10% special allocation as the home state share. Further, the coal bearing states are being compensated through payment of royalty on coal, the rates of which have been revised from time to time.

As such no proposal for levy of duty on sale of power to other States is under consideration of the Government.